



PERFORMANCE REPORT & ACCOUNTS 2020

Vote - 253

Department of Pensions
Maligawatte
Colombo 10

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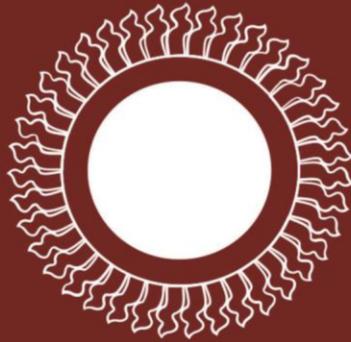
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Profile of the Institution

1.1. Introduction

The Department of Pensions, which had been established on 23.12.1970 as a Department of Grade A, completes 50 years of its journey in year 2020. During this proud history, which marked Golden Jubilee of the Department, the Department of Pensions performs a unique mission implementing the policies of the Government in respect of the pension of the public servants/officers of the judicial service and members of three Armed Forces with a view to ensure the future of the pensioners of Public Service and their dependants.

The laws applicable to the Pensions of Sri Lanka have been initiated with the implementation of Widows' and Orphans' Ordinance No 01 of 1898 from 23 June 1898. Since then the management of the payment process of pension has been carried out under the General Treasury. Further the Pensions Minute, which has been issued on 05 February 1934, can be highlighted as the basic legal document relevant to the civil pensions of Sri Lanka and the Pension Minute has been made a part of the law of Sri Lanka from 1901 by section 02 of the Ordinance No. 02 of 1947. However the Pensions Minute has again been revised on 05 May 1972.

At present the Department of Pensions remains at the apex in public service as a leading Department managing successfully the pension process of public officers and granting benefits to the pensioners' community consists of more than 650,000 persons.

Further the Department of Pensions has taken measures, going beyond the steps taken to simplify process with the application of modern technological and management methods, to ensure special privileges and facilities joining with the private sector with a view to provide more assistances to the pensioner in addition to the payment of pension.

The Department of Pensions has ensured more secured environment to the public servants, who retire this year, in which the Department celebrates its golden jubilee. In the meantime Department has highlighted by the set of proposals 'Pension for all' regarding the requirement of introducing a social security programme to which all the people not receiving a pension can contribute, extending the security to all the people of the country. Accordingly Department is looking forward with the determination to assist the Government in its efforts to achieve the challenges in social security, economy and management fields, whilst managing properly the adult community, which is marking an increase.

This report, which consists the information on the positive aspects of physical and financial activities in relation to the mission for social security benefits ensured by the Department of Pensions during the financial year of 2020, has been prepared in terms of the Public Finance Circular No. 02/2020, which has been issued by the Department of Public Finance.

1.2. Vision, Mission and Objectives



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இலங்கை ஓய்வு
Sri Lanka Pensions

Vision

A Pensioners' community highly satisfied in economic and social aspects.

Mission

Offering legal benefits to the pensioners of Public Services and their beneficiaries, ensuring satisfaction of both recipients as well as service providers at an excellent level intertwining public sector with private sector through applications of modern technology and sustainable management techniques

Objectives

- Regulating the process for making the pension benefits of public servants entitled in compliance with the Pensions Minute, Widows' and Orphans' Pension Ordinance, and Widowers' and Orphans' Pension Act and imposing related provisions.
- Making public servants entitled to pension in compliance with the legal frameworks, rules and policy decisions in respect of the pension.
- Payment of the monthly pension benefits continually and making the entitlement properly for benefit paid as lump sum amount.
- Regulating the Public Servants Provident Fund and making the entitlements to the benefits.
- Collectin the contributions to Widows' and Orphans' Pensions Fund on behalf of the Government and collecting and managing other revenues.
- Managing armed forces pension and post benefits.
- Payment of compensation, salaries and allowances to the members of three Armed Forces and Sri Lanka Police, who demise or become disable whilst in active service.
- Assisting for the formulation of policies for modern social security systems studying the global tendencies of social security.
- To be accountable to the legislature for the preparation of annual budget and its progress.
- Holding the National Pensioners' Day.

1.3. Main Functions

The role of the Department of Pensions is performed under four main processes.

1.3.1. Granting pension and benefits

I. Making Government and Judicial Officers entitled to the pension

Making public servants, judicial officers, teachers of Pirivenas, teachers of private schools and officers included in schedule "D" entitled to the pension and gratuity in terms of the provisions of the Pensions Minute.

II. Making members of armed forces entitled for the pension

Making officers and other rankers of armed forces entitled to pension and gratuity and making entitlement to disabled pension and allowances of dependents.

III. Making entitlements to Widows' and Orphans' or Widowers' and Orphans' pensions

Commencement of the payment of widows' or widowers' and orphans' pensions after the demise of civil officer, judicial officer and member of armed forces, making entitlement to the death gratuity and orphans' and disabled pension in respect of public servants who demise whilst in duty and due to terrorist activities.

IV. Making entitlements to the benefits of Public Servants Provident Fund

Payment of the benefits on termination of service to the holders of non pensionable appointments in public service.

1.3.2. Regulating the payments

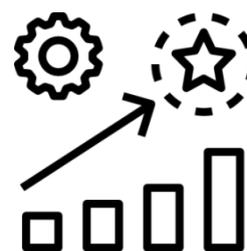
Ensuring that the regulating process is carried out properly for the payments such as pension, widows', widowers' and orphans' pension, which are paid monthly and payment of benefits of Public Servants Provident Fund, refunding the contributions of widows' and orphans' pension, payment of pension gratuity and death gratuity, payments to the heirs, preparation of service gratuity and civil services gratuity of the officers of armed forces, who leave the service without pension rights, payment of special compensations and payment of pension to the pensioners living abroad etc.

1.3.3. Regulating the receipts

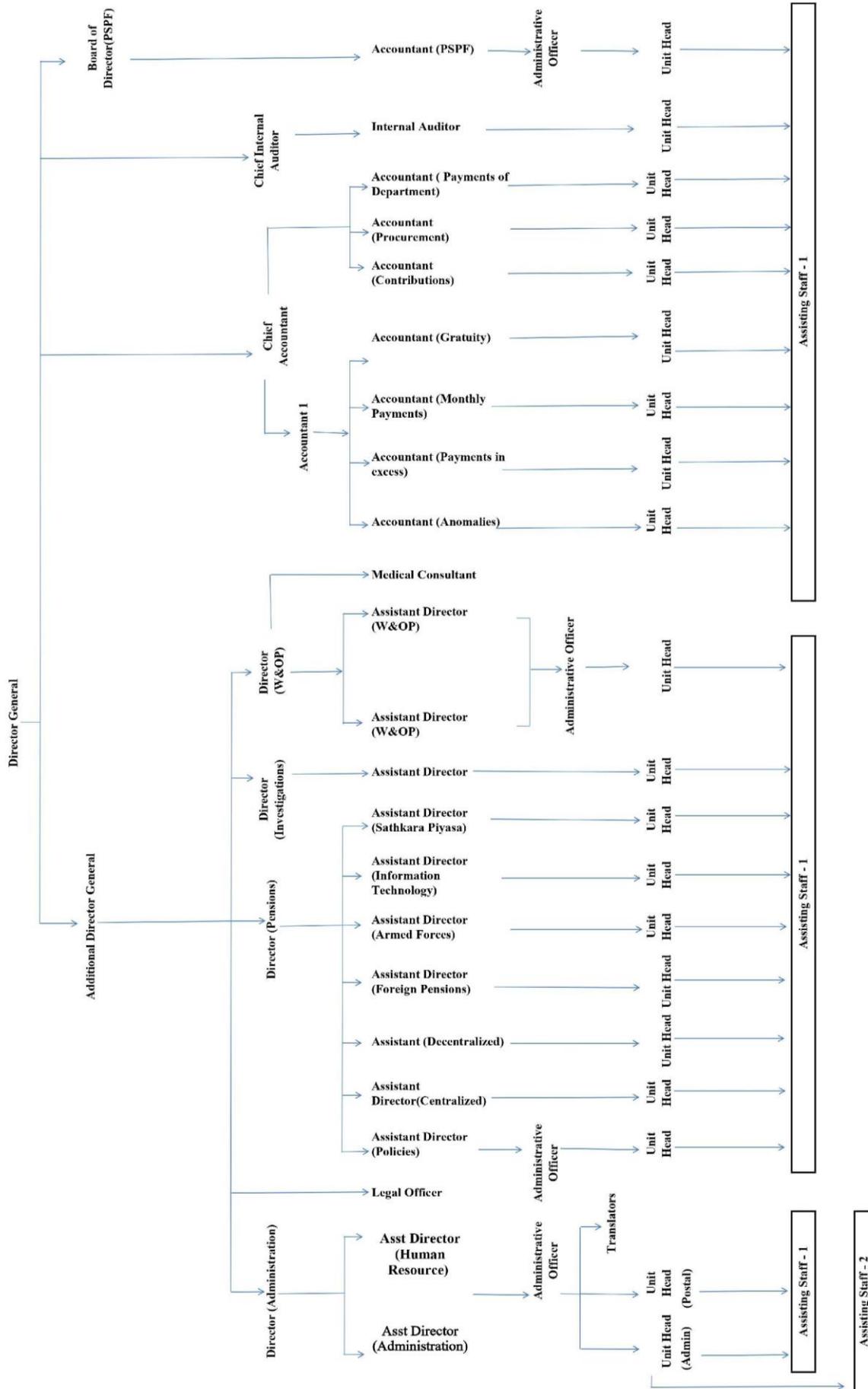
Regulating the receipts such as contributions of Local Government Widows'/ Widowers' and Orphans fund, Local Government Services Pension Fund, contributions of Public Servants Provident Fund, rental for buildings and income from holiday resort.

1.3.4. Development Approach

Ensuring assistance to take policy decisions aiming at the achievement of sustainable development goals and policy framework of the government, ensuring constant studies on social security policies, making the recipients of Department of Pensions entitled to special benefits whilst making links with government as well as private institutions, and taking necessary action developing constantly human and physical resources so as to fulfil the targets of the government.



1.4. Organization Chart



Approved carder of the Department of Pensions – As at 31.12.2020

Nature of the post	Post	Service applicable	Salary scheme	Total number of approved posts	Existing cadre	Number of posts fallen vacant
Senior Level	Director General of Pensions	SLAS (Special)	SL-3-2016	1	1	0
	Additional Director General of Pensions	SLAS (Special)	SL-3-2016	1	1	0
	Medical Officer (On contract basis)	Primary Grade	SL-2-2016	1	0	1
	Director of Pension	SLAS (Class I)	SL-1-2016	4	3	1
	Chief Accountant	SLAcS(Class I)	SL-1-2016	1	1	0
	Chief Internal Auditor	SLAcS(Class I)	SL-1-2016	1	1	0
	Deputy Director/ Assistant Director	SLAS(Class II or III)	SL-1-2016	10	7	3
	Accountant	SLAcS(Class I)	SL-1-2016	1	1	0
	Accountant	SLAcS(Class II or III)	SL-1-2016	9	8	1
	Deputy Director/ Assistant Director	SLITS(Class II or III)	SL-1-2016	1	1	0
	Legal Officer	Dept	SL-1-2016	1	1	0
	Computer Software Developer (on Contract Basis)	Dept		3	1	2
				34	26	8
Tertiary Level	Administration Officer	PMAS (Supra)	MN-7-2016	4	3	1
	*Translator Sinhala - English - 01 Sinhala – Tamil - 01	TS	MN-6-2016	2	1	1
	Information and Communication Technology Officer	SLICTS	MN-6-2016	5	1	4
				11	5	6
Secondary Level	Technical Officer	SLTS	MN-3-2016	1	0	1
	Budget Assistant	RS	MN-4-2016	1	1	0
	Pension Officer	Dept.	MN-4-2016	233	222	11
	Development Office	DOS	MN-4-2016	505	417	88
	Management services Officer	MSO	MN-2-2016	190	167	23
	Information and Communication Technology Officer	SLICTS	MT-1-2016	5	4	1
	Documentation Assistant	Dept.	MN-1-2016	141	120	21
	Help Desk Operator	Dept.		2	0	2
				1078	931	147
Primary Level	Bungalow Keeper	Dept.	PL-1-2016	2	1	1
	Chef/ Garden Laborer	Dept.	PL-1-2016	4	3	1
	Driver	DS	PL-3-2016	12	11	1
	Electrician	Dept.	PL-3-2016	1	0	1
	Office Employee	OES	PL-1-2016	56	44	12
				75	59	16
Total				1198	1021	177

* Translator Number of officers serving at present :- English – Tamil - 01

1.5. Main Divisions of the Department

Administration Division

This Division performs the duties such as maintenance of the personal files of all officers of the Department, all the administration functions including disciplinary activities, provision of infrastructure facilities of the Department, construction works, maintenance works and provision of service etc.

During the period where the curfew has been declared and where the Department has to be closed due to declaring the area as an isolated zone in the face of COVID 19 pandemic, uninterrupted service delivery was ensured by way of connecting the hotline with the mobile numbers of officers, who are entrusted with communication through hotline (1970), in order to provide solutions for the issues raised by pensioners.



The spaces of the building not used by the Department, where the Department of Pensions has been established, have been given to other institutions on rental basis and revenue is collected monthly from building rent. Accordingly the revenue generated from building rent during year 2020 is Rs. 13,824,450.

The Department of Pensions implements Right to Information Act No. 12 of 2016 from year 2017. Under this process 140 issues have been submitted pertaining to the pensioners during year 2020 and answers have also been made for 133 out of the above. However answers are to be sent for 07 issues.

In the meantime Department takes action to manage and maintain the Holiday Resorts, which are maintained by the Department for the benefit of the people including pensioners community, and thereby earn income monthly from Holiday Resorts. The income collected from Holiday Resorts during year 2020 is Rs. 13,606,972.82 and a decline in the income is observed comparatively to the previous year as it has to suspend the reservation due to COVID 19 pandemic.

Further necessary action has been taken to provide prompt solutions for the issues pertaining to pensioners, which have been referred to the Department of Pensions during year 2020 from the President's Secretariat.

Even amidst the COVID 19 pandemic, Department made every possible measures following health instructions and guidelines for the convenience of pensioners, who visit the Department for their matters. Further the progress in the process for making solutions for such issues has also been reviewed. Accordingly it is observed that nearly 5000 issues have been raised by pensioners during the previous year and accordingly solutions have been made for them whilst informing them the present progress of the matter where a solution cannot be made at that moment.

Decentralized Pensions Division

The significance of awarding pension through decentralized system is that the powers for awarding the pension is vested completely in the Head of Institution. However it is required to refer the applications for pensions of officers to the Department of Pensions by all government institutions before awarding the pension. Main objective of the requirement of referring applications to the Department is to fulfil the matters such as issuing pension numbers to pensioners, activating the first pension, and payment of gratuity.

Accordingly all the process starting from the submission of pension application to the Department is carried out online. Further facilities have been provided to submit relevant pension application to the Department of Pensions 06 months before the date of sending the officer on retirement. Under this system, Department has now ability to send the officer on retirement giving him/her due respect for the commendable service delivered by the officer whilst giving opportunity to collect pension award on the date of retirement in a proud manner.



Centralized Pensions Division

All the activities from the payment of pensions, for which the authority was not decentralized to Heads of Institutions, are carried out by the Centralized Pension Division verifying the entitlement, except the payment of decentralized pensions, for which the powers have been vested in the Head of Institutions as per Public Administration Circular No. 16/1995.

Tasks which are performed by the Division

- Making the officers entitled to pension, who are sent on retirement on disciplinary grounds. (Sections 2 and 12 of the Pensions Minute)
- Making the officers entitled to pension, who are sent on retirement on inefficiency of service and sent on compulsory retirement on sympathetic grounds. (Sections 2 and 15 of the Pensions Minute)
- Making the officers entitled to pension, who are sent on retirement due to abolition of post or closing down of institutions. (Sections 2 and 7 of the Pensions Minute)
- Making the officers entitled to pension due to release on permanent basis. (Sections 2 and 48 of the Pensions Minute)
- Making the teachers of private schools and pirivenas entitled to pension.
- Making entitlement to pension under Public Administration Circular No. 04/2006, 07/2004 and 44/90.
- Making entitlement to pension on medical grounds. (Sections 2 and 14 of the Pensions Minute)
- Making entitlement to pension on completion of 20 years of service. (Public Administration Circular No. 30/88)
- Taking action on the pension applications of which issues are observed pertaining to service period, retirement and appointment.



Sathkara Piyasa

Sathkara Piyasa has been established in year 2015 with the objective of giving opportunity to the pensioner to limit his visit to the Department of Pension only once after retirement and further to assure all post benefits and pension rights to the pensioner and members of the family during that visit. Therefore the pensioner is called to the Sathkara Piyasa for the interview for activating his/her pension only after verifying and granting approval for pension application. Every pensioner is given a specific date and time to come to Sathkara Piyasa and an officer of the Department is waiting at the appointed time to deliver the service to the pensioner.

At that occasion works such as activating the pension on verification of the identity of the pensioner, issuance of pension entitlement certificate on verification of the particulars of the dependents of pensioner, registration of the finger marks of pensioner and issuance of the pensioner's identity card.

Policy Division

Main role of this Division is the interpretation of policy matters formulated to pay the pension to public officer and pensioners' community, revision of policy matters depending on the situation, and making new policy decisions.

Tasks performed by the Division

- Ensuring coordination with relevant Ministries and institutions in respect of the policy matters pertaining to the pension.
- Issuance of circulars of the Department of Pensions and letters of instructions which are relevant to statutory revisions.
- Provision of clarifications/ instructions required to settle the matters referred on the policies of pension personally by pensioners' community, and at the level of all government institutions.



Armed Services Pension Division

Armed Services Pensions Division performs the duties such as the management of the payment of armed services pension and gratuity as per the laws, rules and regulations imposed in terms of the Sri Lanka Army Act No 17 of 1949, Sri Lanka Air Force Act No. 41 of 1949, and Sri Lanka Navy Act No. 34 of 1950, under which Sri Lanka Army, Sri Lanka Air Force and Sri Lanka Navy have been established, and the amendments made from time to time to these Acts.

Tasks performed by the Division

- Making entitlement to the service pension.
- Taking action to pay commuted, death and service gratuities.
- Ensuring the coordination among the tasks connected to the activities such as disabled pension, allowance paid to the dependents, special compensation and revision of services etc.

Foreign Pension Division

The tasks connected to the payment of pension of the pensioners, who are living abroad for more than two years and pensioners, who are dual citizens, and coordination, administration and supervision of nearly 10,000 pension files are carried out by Foreign Pension Division.

Widows'and Orphans' Pension Division

This Division carries out the tasks such as registration under Widows' and Orphans' Pension Ordinance No 01. of 1898 and relevant amendments, provisions of Widowers' and Orphans' Pension Act No 24 of 1983, Widows' and Orphans' Pension (Armed Services) No. 18 of 1970 and series of orders made under above and provisions of Local Government Widows'and Orphans' Pension Fund Act and making the widowes/ widowers, orphans, disabled children of the public officers who demise whilst in duty or fter retirement, entitled to pension.

Tasks performed by the Division

- Registration of officers in civil and judicial services under widows'/widowers' and orphans' pension scheme.
- Making the entitlement to widows'/widowers' and orphans' pension.
- Making disabled orphans entitled to the pension.
- Making entitled to the death gratuity.

Accounts Division

The Division assists to maintain proper financial management by way of paying benefits of pensioners, which is the main objective of the Department, in consistent with the existing laws and regulations, using the allocations made by the Parliament under Vote No. 253, and providing the salaries and other facilities to the officers serving in the Department.

Monthly Payment Division

This Division shoulders the duties such as granting monthly pension to the pensioners through state and private banks, rural development banks and cooperative societies whilst regulating the payment of pension monthly to the all pensioners living within and out of the country.

Gratuity Payment Division

Maintenance of the information on the lump sum payment of pension gratuity, death gratuity and service gratuity, which is the only hope of all the pensioners and post beneficiaries, and ensuring coordinatiion with General Treasury are the tasks performed by this Division.

Anomalies Division

This Division performs the tasks such as adjustment of pension in consistent with changes occur due to revision or conversion of salaries as per the policy decisions taken from time to time or revision of the pension after retirement of the demised officers and payment of the arrears in pension.

Division for the management of the contributions to widows' and orphans pension fund

Division for the management of the contributions to widows' and orphans pension fund performs the duties such as the collection of contributions of employees of central government and provincial councils and local government to the widows' and orphans' pension, refunding the contributions recovered from the public servant either to the respective public servant or his/ her heirs, if the contributor has demised in case where there are no beneficiaries to claim for widows/ widowers and orphans pension at the time of the public servant leaves public service or in case where beneficiaries have no entitlement.

Procurement Division

Acquiring, purchasing and distribution of consultancy services, goods and services based on the requirement of the Department as per the targets of the annual procurement plan as per the formal procurement procedure are fallen under this Division.

Division for the recovery of over payments

Main responsibility of this Division is to recover the over payments made to the pensioners due to policy issues and by various government institutes and recovery of the penalty charges for the mistakes and errors made within the service period and over payment of salaries and the balances of advance B account, which are informed to recover to the government from the pension of the pensioner and then remit the same to relevant institutes.

Public Services Provident Fund

Public Services Provident Fund has been established under Public Services Provident Fund No. 18 of 1942 on 01 April 1942 in order to ensure financial benefits to the employees, who hold permanent posts and receive monthly salaries but not entitled to a pension at the termination of their service. The objectives and goals have been widened by the Amendment Act No. 17 of 2003 and the circulars issued from time to time with a view to extend benefits covering wide range in service such as employees recruited on casual, temporary, contract and daily pay basis.

With the establishment of Department of Pensions, Public Services Provident Fund, which was operated under the Ministry of Finance, has been brought under the Department of Pensions from 23.12.1970 and its powers are exercised by the Fund Management Board under the supervision of Hon. Minister in charge of the subject of public Administration.

The Board of Management consists of the following members.

1. Director General of Pensions (Chairman)
2. Deputy Attorney General (Solicitor General)
3. Two persons each of whom is the Head of a Department of Government or the deputy or principal assistant to the Head of such Department
4. One person who is a contributor to the fund

The 8% deducted from the salary of the officer, who is a member of the fund, and the 12% contributed by the institute where the employee serves, are credited to the fund as per the Public Services Provident Fund.

Legal Division

Legal Division of the Department has been established to perform the tasks such as making submissions for the cases filed at all the courts including supreme court naming Department of Attorney General, Human Rights Commission, Ombudsman, and Department of Pensions as the respondents and forwarding interpretations and recommendations on all acts and ordinances connected to the payment of pension and making observations.

Internal Audit Division

Internal Audit Division takes action to carry out independent and constant evaluation on the proper and methodical implementation of internal verifications applied for avoiding and revealing frauds and offences through studying the existing internal administration system applied on the financial activities of the Department.



Information Technology Division

This Division is committed to coordinate directly the Department with pensioners' community, Divisional Secretariat, and public institutions introducing constantly new information technology systems with a view to maintain pension payment process more efficiently and accurately.

Media Unit

Main role of the Media Unit is to collect all information relevant to the subject of pension paying attention to all newspapers and forward such information for the reference of the management. Further Media Unit ensures the communication of information through modern technical facilities looking forward with the development in the field of information technology. In the meantime it takes action to update information through official website, official face book page, official youtube channel, web magazine and pension radio. Further Media Unit provides information to the external media institutions also.



Postal Division

Tappal can be highlighted as the main mode of internal communication of the Department and therefore this Division ensures that those activities are well coordinated. Main responsibility of the Division is to send all letters/ files, which are received and sent by the Department to relevant Divisions/ institutions, in an efficient manner without any weakness.

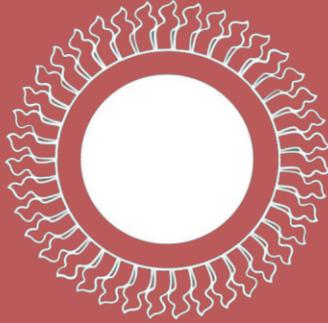
Administration and coordination of pensioners' associations

An officer has specially been engaged for the coordination of relevant activities with a view to take action on the issues referred to the Department by Pensioners' Associations representing pensioners' community, provide proper solutions and maintain sound links between the Department and pensioners.

Coordinating business sectors

Department of Pensions is implementing various innovative projects joining with public as well as private institutions with the objective of transforming the pensioner to an active adult member of the community paving way for them to look beyond the monthly pension. Therefore well coordination is maintained between the Department and private sector in this regard.





2

Progress and Future Vision

Special Projects

Obtaining Finger Marks of Pensioners.

- ✓ Department has initiated action to obtain life certificate, which has so far been taken from the Pensioners' Community in order to verify that the pensioner is still living in the payment process of pension, through biometric method by way of combining the system with modern technology. The new system has made facility to pensioner to provide his life certificate using his finger mark at a convenient time instead of following the more complex method, which demanded filling of forms containing particulars of the pensioner. Accordingly the pensioner now can provide his/her finger mark at the Divisional Secretariat, to which he/ she belongs, or any other Divisional Secretariat or a bank, which has the facility.



Secretary of the Ministry of Public Administration inaugurates the finger scanning system for obtaining life certificate annually



A pensioner records his finger marks using new facility

Accordingly facilities have been made available at 26 Divisional Secretariats in year 2020 for pensioners to provide their life certificate using finger mark. In addition to the above, facilities are now available for finger scanning system at 75 branches of People's Bank, 84 branches of Pan Asia Bank, 10 branches of National Savings Bank all over the Island.

Simplifying the system so far applied to issue railway warrants to pensioners

- ✓ Arrangements have been made by the Department of Pensions joining with Department of Sri Lanka Railway and Mobitel to facilitate pensioners to collect their railway ticket directly on submission of his/ her national identity card or pensioners identity card at the relevant railway station by way of simplifying the method so far applied in the issuance of railway warrant entitled to the pensioners. Under new system the pensioner has the facility to reserve his/ her railway ticket (Seat) online in few seconds.



Launching the programme for issuance of railway tickets to pensioners from railway stations

Simplifying the registration under Widows and Orphans' Pension

- ✓ A new system has been introduced by the Department in order to activate widows' and orphans' pension by way of simplifying the payment process applied so far for the payment of widows' and orphans' pension under widows'/ widowers' and orphans' pension scheme implemented for the benefit of post beneficiaries of public servants, which is managed by the Department of Pensions. Instructions have been issued to all Divisional Secretaries and all public officers regarding this new system by Public Administration Circular No. 03/2020.



Making Divisional Secretaries aware of the new online system for activating widows' and orphans' pension

Ensuring the entitlement to the pension for disabled children

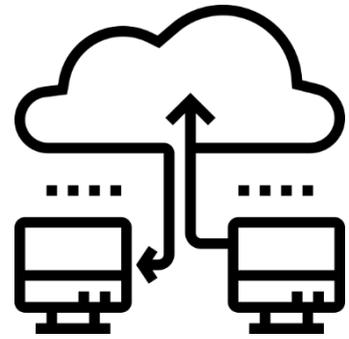
- ✓ In terms of the system so far applied to grant the entitlement for disabled pension to disabled children, the child is directed to the Medical Board for verifying the disability only after the demise of the child's parents. Under such circumstances most of the disabled children has to face various difficulties and delays for obtaining their disabled pension. With a view to change this situation, new regulations have been made effective to provide opportunity to public officers, who have disabled children in the family, to get the disability of his/ her child verified whilst in service by way of bringing the child to a Medical Board through a request made to the respective Head of Institution.



- With the objective to make the officer entitled to pension benefits on the date of retirement itself, facility has been introduced to make the relevant officer aware of the retirement through an SMS when the officers reaches the date of retirement. Since nearly six hundred thousand officers in public service have got their registration under widows' and orphans' registration system, action has been taken to inform them using the information in the system for making preparations for retirement updating their personal file, which is highly essential in the process, six months before the date of retirement.



- In order to exchange the particulars of pensioners, concurrence has been obtained from the Department of Election for exchange of data and a link has been made with the pension management data base through internet network connection. By this way facilities have been made to verify the particulars on the residence of a public officer at the time of his/ her retirement.



- An online system has been designed with the inclusion of information in order to provide the salaries and allowances paid to the members of three Armed Forces and Sri Lanka Police, who have demised or become disabled due to terrorist activities whilst in the duties in operation areas and the areas not categorized as operation areas during the war time, until the dependants and disabled member is living.
- Provisions have been made by Pension Circular No. 07/2020 pertaining to the methodology for obtaining pension in the proper manner with the appointment of a trustee, where the pensioner is not in a position to come and collect benefits, even such pensioner is entitled to the pension.
- Pension Management System has been updated in order to provide way for the submission of pension application and other related documents fully online.
- With a view to ensure the benefits of the officers, who are sent on retirement, Public Administration Circular No. 03/2020 dated 31.12.2020 has been issued with the inclusion of guidelines pertaining to the action to be taken for the recovery of the contributions to widows'/ widowers' and orphans' fund during their total period of service and its reporting and the inclusion of those particulars in the personal file.



- Launching the book 'Sri Lanka Pensions' which contains the social security methodologies to be considered for covering all the employees in future and important information on the payment of pension and issuance of supplement under the title 'Pride of the Generation' with Dinamina, and Thinakattran newspapers concurrently to the Golden Jubilee of the Department of Pensions and National Pensioners' Day Celebration. This event was inaugurated under the auspicious of Hon. Minister of Public Services, Provincial Councils and Local Government.



Launching of the book 'Sri Lanka Pensions'



Issuance of news paper supplement 'Pride of the Generation'.

- Issuance of first day covet with postal stamp to celebrate the golden jubilee in collaboration with Department of Posts to mark the completion of 50 years by Department of Pensions.



Postal Stamp for Golden Jubilee



First day covet with postal stamp for Golden Jubilee



Issuance of the first day cover with postal stamp to celebrate Golden Jubilee of the Department

- launching the set of proposals of the Department of Pensions for social security under the theme of 'Pension for all'

A number of significant proposals has been submitted by the policy manifesto 'Vistas of Prosperity and Splendour' for the improvement of existing social security systems and pensions schemes of Sri Lanka. By this policy manifesto, it has proposed to introduce pension schemes so as to cover every citizen of the country including the employees of private sector and employees working abroad the determination of the age of retirement in both public and private sectors on scientific basis, securing the existing public servants' pensions scheme.

01

Extending the age of retirement up to 63 years

Summary of the proposals 01

02

Protecting Public Servants' Pension Scheme

- Establishment of Widows' and Orphans' Pensions Fund
- Ensuring a reasonable financial contribution for the pension
- Extending the minimum period of service
- Introducing a formula for the increase of pension
- Removing the complexities of the Pensions Minute

Summary of the proposals 02

03

Pension Scheme for the Private Sector

- Obtaining a government pension investing the whole or part of the amount of the balance of Employment Provident Fund
- Reducing the differences between the social security benefits granted to public service and private sector.

Summary of the proposals 03

04

Pension for all

- Granting a pension ensuring a minimum pension to all
- Introducing a social security tax for this purpose

Summary of the proposals 04

Circulars issued in year 2020

	Date of issuance	Number of the circular	Matter
1	2020.01.08	1/2020	Reemployment of retired public officers and revision of the pension
2	2020.01.21	2/2020	Confirmation of the Pensioner's Life Certificate through Finger Prints – Pilot Project
3	2020.02.10	2/2020(I)	Confirmation of the Pensioner's Life Certificate through Finger Prints – Pilot Project
4	2020.02.25	3/2020	Online submission of the application for widows'/widowers'/orphans' or disabled pension
5	2020.04.02	4/2020	Providing relief the pension entitled Pensioners who were not retired, retired but couldn't submit the application online due to the covid-19
6	2020.04.06	4/2020(i)	Providing relief the pension entitled Pensioners who were not retired, retired but couldn't submit the application online due to the covid-19 Pandemic
7	2020.04.20	4/2020(ii)	Providing relief the pension entitled Pensioners who were not retired, retired but couldn't submit the application online due to the covid-19
8	2020.04.29	4/2020(iii)	Providing relief the pension entitled Pensioners who were not retired, retired but couldn't submit the application online due to the covid-19
9	2020.05.22	4/2020(iv)	Providing relief the pension entitled Pensioners who were not retired, retired but couldn't submit the application online due to the covid-19
10	2020.04.20	5/2020	In the Global Covid-19 Pandemic Providing of Public Services through a work plan of working from home (WFH)
11	2020.06.09	6/2020	In the Global Covid-19 Pandemic Providing of Public Services through a work plan of working from home (WFH)

12	2020.06.11	7/2020	Agreement for Appointment of a Guardian whenever a pensioner faces with difficulty to receive his pension
13	2020.06.11	8/2020	Reinforcing the provision of loan facilities for the promotion of Pensioner's Community
14	2020.09.22	2/2020 (ii)	Verification of the certificate of life of pensioners by finger prints – Pilot Project
15	2020.07.30	2/2017 (i)	Making registration under Public Services Provident Fund and updating the particulars of the contributions of the registered members through internet
16	2020.09.22	2/2020 (iii)	Verification of the certificate of life of pensioners by finger prints – Pilot Project
17	2020.11.30	3/2015 (iv)	Obtain Pension Benefits on the date of Retirement.(Online Submission of Pension Applications)
18	2020.12.02	1/2009 (i)	Payment of Disabled Orphans' Pensions
19	2020.12.05	9/2020	Payments of pension during year 2021
20	2020.12.08	10/2020	Supplementary Loan Scheme

Letters of Instructions issued in year 2020

	Date of issuance	Number of the Instruction letter	Matter
01	2020.06.17	01/2020	Formalization of the process for the revision of service pension of the officers in armed services, who retire
02	2020.07.13	02/2020	Resticting the provision of particulars of pensioners to outside parties
03	2020.12.03	විවෘ/දි.ස/ජී.ස/2021	Pensioner's certificate of residence 2021
04	2020.11.23	PEN/ADG/2020/DS	Revision of pension of the pensioners, who have no pension file
05	2020.12.21	12/2020	Provision of life certificate of Sri Lankans for year 2021, who live abroad for more than two years
06	2020.12.21	PEN/POL/1A/special	Supplementary festival loan scheme - instructions for the banks

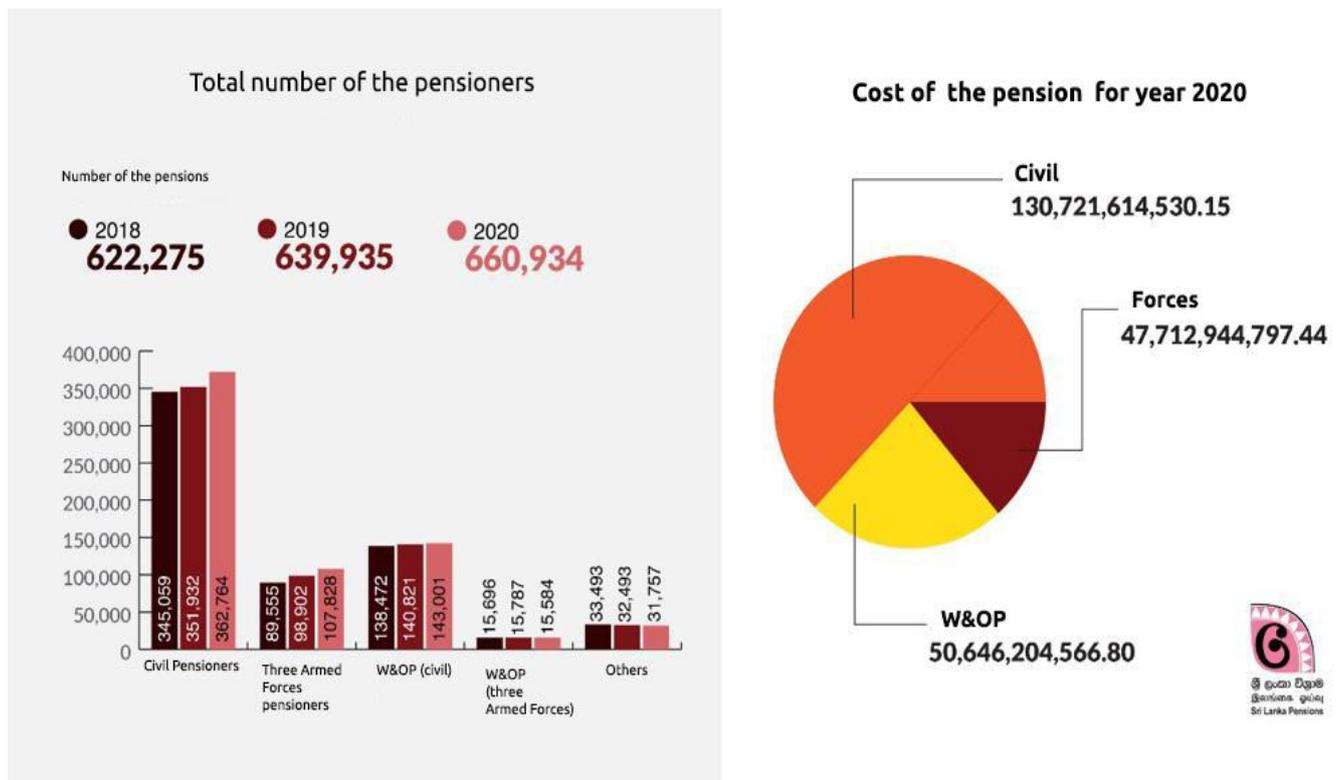
Report of the tasks, which were performed during year 2020

Legal Division

Type of files and letters	Amount	Number of observations provided	Numbers of persons ,who participated in counseling	Amount to be concluded
Complaints on human rights	46	46	-	-
Summons on human rights	20	20	20	05
Complaints made to Ombudsmans	102	100	-	02
Other letters	50	50	-	-
Cases filed at the Supreme Court	04	04	-	Verdicts have not been issued for 03 cases
Cases filed at High Court	06	03	03	Verdicts have not been issued
Cases filed at Provincial High Court	02	02	01	Verdicts have not been issued
Files sent for the instructions from the Department of Attorney General	06	-	-	-
Agreements enter in to with institutions	05	-	-	-
Files referred from other divisions for observations	28	28	-	-
Total	269	253	24	

Number of the observations provided and participation in counseling with courts and other institutions in compliance with the above mentioned matters is nearly 260 and the agreements entered into with public as well as private institutions is 11.

Summary of the payment of monthly pension in year 2020



Changes and alterations made in the pension in year 2020 by the Department of Pensions.

In 2020



Updating personal information
23,955



Recalculation of revisions
749



Disabled allowance of the Army
905



Changing the pension after retirement
2,983



Completion the age of 55 years in Army under disabled category
277



Payment of other arrears and revisions
3,146



Payment of the arrears of pensions, which were delayed due to unavailability of data.
271



Revision of pension considering the political harassment
267



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Sri Lanka Pensions

Number of the civil and armed forces widows' and Orphans' pension paid monthly during year 2020.

Month	Total number of active pensioners		
	Civil and Armed Forces	Widows' and Orphans'	Total
January	456,499	183,803	640,302
February	457,689	183,827	641,516
March	459,308	184,108	643,416
April	461,034	184,145	645,179
May	460,851	184,052	644,903
June	460,978	183,674	644,652
July	461,255	183,953	645,208
August	464,715	184,472	649,187
September	466,398	184,722	651,120
October	468,214	184,746	652,960
November	474,369	184,797	659,166
December	475,889	185,045	660,934

Number of the new pensions activated monthly during year 2020 and the amount spent for the purpose

Month	Civil		W & O p		Armed Forces	
	Number of pensioners	Amount paid (Rs.)	Number of pensioners	Amount paid (Rs.)	Number of pensioners	Amount paid (Rs.)
January	741	123,607,248	652	114,815,872	456	102,960,149
February	1,456	278,582,765	781	145,532,883	998	270,442,847
March	1,520	299,656,311	866	181,905,044	958	242,808,123
April	1,536	63,400,389	405	11,484,135	778	37,862,158
May	519	99,309,464	384	58,444,848	109	37,539,096
June	659	136,270,138	287	55,884,845	498	115,621,097
July	851	236,600,311	839	195,502,312	657	215,206,143
August	2,965	843,325,138	1080	212,385,780	1585	548,120,242
September	1,461	294,404,053	841	176,479,702	1111	266,512,894
October	1,924	506,934,716	648	151,113,354	869	251,051,492
November	5,913	738,573,125	585	96,785,722	1506	359,759,175
December	1,704	201,165,605	750	174,669,967	832	205,888,678
Total	21,249	3,821,829,263	8,118	1,575,004,464	10,357	2,653,772,092

Annual expenditure for the pension

Year	Expenditure Rs. billion
2016	164,028,280,464.60
2017	172,709,060,986.55
2018	182,014,784,493.07
2019	202,642,744,941.95
2020	229,080,763,894.39

Payment of compensation salaries and allowances to the members of three Armed Forces and Sri Lanka Police, who demise or become disabled whilst in active service -2020

Institute	Up to December 2020	
	Amount	Amount Paid Rs. billion
Armed Forces	36,814	33.36
Sri Lanka Navy	1,469	1.37
Air Force	578	0.57
Police	2,043	2.16
Total	40,904	37.46

Gratuity Payment - 2020

Type of gratuity	Number of persons paid	Amount Paid Rs.
Civil, armed forces and centralized	25,520	27,408,501,019
Army	29	5,057,963
Death	1103	632,808,553
Revision	3105	156,868,686
Other *	1,333	803,014,264
Total	31,090	29,006,250,484

* Payment of special compensation, service gratuity, service gratuity- death (17), gratuity payments on reemployment

Payment of the benefits of widows' and orphans' pension- 2020

Month	Widows' pension	Orphans' pension	Disabled pension	Other
January	572	32	24	24
February	722	16	16	27
March	743	50	35	38
April	385	12	3	5
May	347	13	17	7
June	235	18	5	29
July	723	48	17	51
August	945	39	34	62
September	747	35	32	27
October	543	44	35	26
November	553	18	1	13
December	646	50	22	32
Total	7,161	375	241	341

Registration in the widows' and orphans' pension scheme

➤ Membership numbers have been issued for 29,513 applications for Widows'/ widowers' orphans pension out of the applications submitted for the registration in widows'/ widowers' and pensions scheme in year 2020.

Refunding the contributions made to widows' and orphans' pension scheme -2020

	Civil	Armed Forces	General 29
Balance as at 31.12.2019	197	0	388
Receipt of applications	1472	983	29
Payments for applications	914	973	31
Returning applications	468	10	281
Balance as at 31.12.2020	287	0	105

Number of the pensions, which have been added to central data base from the armed forces division

Type of pension	Number of payments (Army/Air Force/Navy)
Payment of Service pension (Less than 10/12)	353
First payment of disabled pension	778
Revisions of armed forces	2101
Revisions	346
Death Gratuity	135
Service Gratuity	980
Subsistence Allowance	207
Revisions (Below 10/12)	103

Particulars of pensioners staying abroad to whom pension has been paid

Month	Number of the pensioners	Amount paid (Rs.)
January	9780	250,090,365
February	9815	244,680,271
March	9845	302,211,723
April	9855	225,587,117
May	9869	309,333,207
June	9870	256,158,297
July	9869	305,759,867
August	9881	261,062,289
September	9880	442,883,616
October	9857	308,134,677
November	9872	264,001,770
December	9865	264,248,148
Total		3,434,151,347

Receipts and payments of Public Services Provident Fund (8% -12%) - 2020

Month	Receipts Rs.	Payments Rs.
January	77,355,694	33,971,631
February	71,472,673	23,099,709
March	30,360,619	31,988,316
April	7,410,912	3,027,355
May	44,858,950	19,336,686
June	76,308,381	24,767,386
July	213,487,273	19,421,915
August	80,342,063	29,346,143
September	132,460,293	58,190,680
October	40,056,422	35,506,612
November	13,138,810	18,188,702
December	61,457,155	45,170,288
Total	848,709,245	342,015,423

Analysis of the membership

Month	Number of members removed	Number of the members joined newly
January	793	728
February	450	732
March	141	1,083
April	84	76
May	111	232
June	219	1,142
July	303	472
August	400	773
September	452	1,084
October	129	763
November	214	581
December	285	460
Total	3,581	8,126

Number of the members as at 31.12.2019	-	231,339
Added - Number of the newly joint members	-	<u>8126</u>
		239,465
Deducted - Number of the removed members	-	<u>3,581</u>
Number of the members as at 31.12.2020	-	<u>235,884</u>

Physical Improvements

With a view to obtain a more productive service from the officers of the Department, the office premises has been modified ensuring an attractive and proper environment for the officers to deliver the services satisfactorily.

Following modifications have been made under this process.

- Color washing the Widows' and orphans' pension and the internal stairway of the Department.
- Air conditioning the payment division in 4 th floor and waiting room of drivers.
- Erecting a fence covering the open area, where the Department of Motor Traffic has been established near the eating room.
- Repairing the watch post of the Department where the security officers of the Department perform their duties.
- Modification of the pensions divisions and record rooms at Divisional secretariat of Nuwaragampalatha of Anuradhapura and Divisional Secretariat of Four Gravets, Gangawata Korale and Yatinuwara of Kandy
- Colour washing and modifying the two storied building of the Holiday Resort of Wedamulla, Kelaniya

Challenges

- During the period, when the curfew has been declared all over the Island to apply quarantine measures in the face of COVID 19 pandemic and when the area, where the Department is located has been locked down, measures have been taken to ensure the uninterrupted service delivery calling a limited number of officers for duties adhering to the health precautions.
- Non allocation of an adequate financial provisions to the Department for the payment of gratuities of year 2020.

Future roadmap of the Department of Pensions

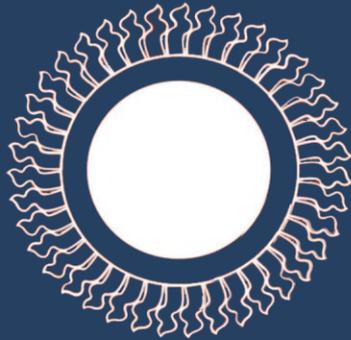
- It is reported also by statistical forecasts that the elderly population, which is at present holds nearly 12.5% from the total population, will mark an increase up to 24.8% by year 2050. Therefore, having taken into this situation, one of the main challenges faced by the Department is to be the pioneer to introduce, on behalf of the Government of Sri Lanka, a timely programme for ensuring a pension for all with the intention to provide economic benefits for the maintenance of well secured elderly community within a prosperous future with the contribution of three parties i.e. government, entrepreneurs and working people covering the whole population. Accordingly, Policy concurrence should be obtained for the set of proposals namely; 'Pension for all'.

- The Pensions Minute and Widows' and Orphans' Pension Ordinance has been combined with the inclusion of all the current revisions. Further attention has been paid to submit proposals for updating those circulars avoiding certain weaknesses observed in the circulars issued by the Department of Pensions based on the policy decisions taken by the Government from time to time and on identification of the changes to be made for avoiding complexities observed in the process for the payment of pension due to the revisions made from time to time, whilst avoiding the deficiencies in the minutes, laws and regulations.
- Taking action to apply electronic technology instead of the postal services for obtaining life certificates for year 2021.



A. Jagath D. Dias

Director General of Pensions.



3

**Financial Performance
for the year ended
31.12.2020**

3.1. Financial Performance Report

ACA - F

Statement of Financial Performance For the Period ended 31st December 2020

Budget 2020	Note	Actual		Rs.
		2020	2019	
-	Revenue Receipts			-
-	Income Tax	1	-	-
-	Tax on Domestic Goods & Services	2	-	-
-	Tax on International Trade	3	-	-
	Non Tax Revenue & Others	4	32,417,052,244	28,984,852,661
	Total Revenue Receipts (A)		32,417,052,244	28,984,852,661.00
	Non Revenue Receipts			
	Treasury Imprest		252,227,945,841	224,191,545,265
	Treasury Imprest (net)		-	-
	Treasury Imprest (net)		252,227,945,841	224,191,545,265
	Deposits		29,377,905	8,798,384
	Advance Accounts		38,327,396	52,205,855
	Other Receipts		64,096,039,447	43,437,572,432
	Total Non Revenue Receipts (B)		316,391,690,589	267,690,121,936
	Total Revenue Receipts & Non Revenue Receipts (C= A + B)		348,808,742,833	296,674,974,597
	Less: Expenditure			
	Recurrent Expenditure			
582,650,000.00	Wages, Salaries & Other Employment Benefits	5	577,026,866	516,109,865
67,850,000.00	Other Goods & Services	6	60,630,877	72,889,754
301,207,360,000.00	Subsidies, Grants and Transfers	7	295,303,216,226	272,363,007,932
-	Interest Payments	8		
-	Other Recurrent Expenditure	9		60,780.00
301,857,860,000.00	Total Recurrent Expenditure (D)		295,940,873,969	272,952,068,331
	Capital Expenditure			
11,100,000.00	Rehabilitation & Improvement of Capital Assets	10	8,276,222	18,058,221
5,000,000.00	Acquisition of Capital Assets	11	3,562,293	9,084,010
-	Capital Transfers	12	-	-
-	Acquisition of Financial Assets	13	-	-
1,000,000.00	Capacity Building	14	467,478	669,170
8,100,000.00	Other Capital Expenditure	15	3,617,212	30,816,675
25,200,000.00	Total Capital Expenditure (E)		15,923,205	58,628,076
	Main Ledger Expenditure (F)		63,145,242,254	43,326,974,873
	Deposit Payments		6,367,853	8,621,606
	Advance Payments		45,714,845	62,655,715
	Other Payments		63,093,159,556	43,255,697,552
	Total Expenditure G = (D+E+F)		359,102,039,428	316,337,671,280
	Imprest Balance as at 31st December 2019 (H=C-G)		(10,293,296,595)	(19,662,696,683)

3.2. Statement of Financial Position

ACA - P

Statement Of Financial Position As At 31st December 2020

	Note	Actual	
		2020 Rs.	2019 Rs.
<u>Non Financial Assets</u>			
Property, Plant & Equipment	ACA - 6	2,010,864,008	2,022,113,280
<u>Financial Assets</u>			
Advance Accounts	ACA - 5	168,558,188	161,170,739
Cash & Cash Equivalents	ACA - 3	0	-
Total Assets		2,179,422,196	2,183,284,019
<u>Net Assets / Equity</u>			
<u>Net Worth to Treasury</u>		137,014,255	152,636,858
Property, Plant & Equipment Reserve		2,010,864,008	2,022,113,280
<u>Current Liabilities</u>			
Deposits Accounts	ACA - 4	31,543,933	8,533,881
Imprest Balance	ACA - 3	0	-
Total Liabilities		2,179,422,196	2,183,284,019

Detail Accounting Statements in ACA format Nos. 1 to 6 presented in pages from 01 to 27 and Notes to accounts presented in pages from 28 to 47 form and integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.


.....
Chief Accounting Officer
Name :

Designation :
Date : 24/02/2021

J.J. Rathnasiri
Secretary
Ministry of Public Services, Provincial
Councils and Local Government
Independence Square
Colombo 07


.....
Accounting Officer
Name :

Designation :
Date : 24/02/2021

A. Jagath D. Dias
Director General
Department of Pensions
Colombo 10.


.....
Chief Accountant
Name :

Date : 22/02/2021

A.D.T.N. ABEYSINGHE
Chief Accountant
Department of Pensions
Maligawatta,
Colombo 10

3.3. Cash Flow Statement

ACA - C

**Statement of Cash Flows
For the Period ended 31st December 2020**

	Actual	
	2020 Rs.	2019 Rs.
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	-	
Fees, Fines, Penalties and Licenses		
Profit	-	
Non Revenue Receipts	11,208,558,725	10,528,144,946
Revenue Collected for the Other Heads	64,877,984,185	44,020,374,397
Imprest Received	252,227,945,841	224,191,545,265
Total Cash generated from Operations (a)	328,314,488,751	278,740,064,608
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	632,214,140	548,991,644
Subsidies & Transfer Payments	253,904,522,846	234,875,558,306
Expenditure on Other Heads	73,777,979,231	43,232,156,011
Imprest Settlement to Treasury	1,192	203
Total Cash disbursed for Operations (b)	328,314,717,409	278,656,706,164
NET CASH FLOW FROM OPERATING ACTIVITIES(C) (a)-(b)	(228,658)	83,358,444
<u>Cash Flows from Investing Activities</u>		
Interest		
Dividends		
Divestiture Proceeds & Sale of Physical Assets		
Recoveries from On Lending		
Recoveries from Advance		
Total Cash generated from Investing Activities (d)	36,478,300	4,337,373
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of		
Advance Payments	14,432,270	37,469,355
Total Cash disbursed for Investing Activities (e)	44,827,424	50,974,581
NET CASH FLOW FROM INVESTING ACTIVITIES(F) (d)-(e)	36,478,300	4,337,373
NET CASH FLOW FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c) + (f)	(22,781,394)	(84,106,563)
<u>Cash Flows from Financing Activities</u>		
Local Borrowings		
Foreign Borrowings		
Grants Received		
Deposit Received		
Total Cash generated from Financing Activities (h)	29,377,905	6,894,473
Less - Cash disbursed for:		
Repayment of Local Borrowings		
Repayment of Foreign Borrowings		
Deposit Payments		
Deposit & Other a/cs 8098 & 8186	6,367,853	6,146,354
Total Cash disbursed for Financing Activities (i)	6,367,853	6,146,354
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)	23,010,052	748,119
Net Movement in Cash (k) = (g) -(i)	-	
Opening Cash Balance as at 01st January	0	-
Closing Cash Balance as at 31st December	-	

3.4. Notes to the Financial Statements

Notes to Financial Statements

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2020.

2) Basis of Measurement

The Financial Statements have been prepared on historical cost and historical cost of some assets have been revalued. Preparation of accounts are made based upon the modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3) Recognition of Revenue

Exchange and non exchange revenues are recognised on the cash receipts during the accounting period irrespective of taxable period.

4) Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5) Property, Plant and Equipment Reserve

This revaluation reserve account is the corresponding account of PP&E.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins on hand as at 31st December 2020.

3.5. Performance in the collection of revenue

Rs. , 000

Revenue Code	Description of the revenue Code	Revenue Estimate		Revenue, which has been collected	
		First Estimate	Final Estimate	Amount (Rs)	Final revenue as a percentage of the estimate
	Contributions for social security				
2004.1	Central Government	19,000,000	21,000,000	21,394,268	101.87%
2004.2	Provincial Councils	11,700,000	12,000,000	11,022,784	91.86%
8186	Teachers' widows' and orphans' pensions fund	104,000	104,000	263,356	253%
2002.01.01	Revenue from rent	36,832	35,708	16,266	54.45%
	Local Government Fund				
-	Local Government Services widowers' and orphans' fund	-	-	4	-
-	Widows' and orphans' pension fund	-	-	145	-
-	Local Government Services pensions fund	-	-	75,241	-

3.6. Performance in the utilization of the provisions, which have been allocated

Rs. , 000

Type of the provision	Provisions, which have been allocated		Actual Expenditure	Utilized provisions as a percentage of the provisions , which have been totally spent
	First provisions	Final Provisions		
Recurrent	301,857,860	301,857,860	295,940,873	98%
Capital	25,200	25,200	15,923	63%

3.7. Provisions, which have been made as per F.R.208 to this Department/ District Secretariat/ Provincial Council as a representative of another Ministries/ Department

Rs. , 000

Serial No.	Ministry/ Department from which the provisions have been made	Objective of the Provision	Provisions		Actual Expenditure	Utilized provisions as a percentage of the financial provisions made
			First Provision	Final Provision		
01	Election Commission (20)	For the payment of allowance for election duties	1080	1080	1080	100%
02	Department of Treasury Operations (249)	For the payment of gratuity, loan installments and interest	10,686,633	10,686,633	10,686,633	100%

3.8. Performance of the reporting of Non Financial Assets

Rs. , 000

Assets Code	Description of the code	Balance as at 31.12.2020 as per the report of Board of Survey	Balance as at 31.12.2020 as per Statement of Financial Position	To be accounted in due course	Reporting the progress as a percentage
9151	Buildings and Materials	581,259	581,259	-	100%
9152	Machinery	228,197	228,197	-	100%
9153	Lands	1,198,405	1,198,405	-	100%
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Works in progress	-	-	-	-
9180	Assets provided on lease	-	-	-	-

3.9. Report of the Auditor General

My No. LEW/D/DOP/02/50(1)

30 July 2021

**Director General,
Department of Pension**

Report of the Auditor General on the Financial Statements of the Department of Pensions for the year ended 31 December 2020 in terms of Section 11 (1) of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Pensions for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My comments and observations are included in this report submitted to the Department of Pensions as per section 11(1) of the National Audit Act No. 19 of 2018. My report, which should be submitted as per section 10 of National audit Act No. 19 of 2018 to be read in conjunction with the article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka, will be tabled in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Department of Pensions as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted.

1.2. Basis for Qualified Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Accounting Officer for the Financial Statements

Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with accounting principles generally accepted and the provisions indicated in section 38 of the National Audit Act No. 19 of 2018, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Further the Department of Pensions should maintain properly its income, expenses, assets, and liabilities enabling to prepare annual and timely financial statements as per section 16 (1) of the National Audit Act No. 19 of 2018.

Accounting Officer should assure that a productive internal control system is prepared and maintained for the financial control of the Department as per sub section 38 (1) (c) of the National Audit Act No. 19 of 2018 and further necessary changes should also be made conducting from time to time a review on the productivity of the system in order to ensure the maintenance of the system productively.

1.4. Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5. Report on Other Legal Requirements

I hereby state following matters as per section 6 (1) (d) of the National Audit Act.

- The financial statements presented is consistent with the preceding year.
- The recommendations made by me in para 2.1 (a), (b), (c), (e), 2.3, 2.5 regarding the financial statements in relation to the preceding year have not been implemented.

1.6. Comments on financial statements

1.6.1. Statement of financial performance

1.6.1.1. Non-income receipts

An income to the total value of Rs.1,024,621,786 which has been collected by the Department under 04 codes during the year under review for other institutes have not been shown as other receipts under non income receipts in the statement of financial performance and therefore the value of the total receipts in the statement of financial performance has been understated by that amount.

1.6.1.2. Recurrent Expenditure

Expenses to the value of Rs. 2,397,956 for local and overseas travelling for the year should be shown in the statement of financial performance under expenditure for other goods and services, it has been shown under expenditure for salaries, wages and other benefits for employees. As a result of this, the expenditure for salaries, wages and other benefits for employees has been overstated and expenditure for other goods and services has been understated by that amount.

1.6.2. Statement of financial position

No asset income

The value of two items of fixed assets of the Department as at the end of the year under review is Rs. 59,767,636 as per cigas programme and the value of the same as per financial statements is Rs. 74,977,453. Therefore the value has been overstated by Rs. 15,209,817 as per financial statement. Further the value of four items of fixed assets of the Department is Rs. 125,931,241 as per cigas programme and the value of the same as per financial statements is Rs. 102,556,055. Therefore the value has been understated by Rs. 23,375,186 as per financial statements. Under such circumstance a net difference of Rs. 8,165,369 is observed between financial statements and cigas programme.

1.6.3. Non maintenance documents and books

No register of securities has been prepared by the Department with the inclusion particulars of officers, who required to place securities as per financial regulation 89 (1).

2. Financial Review

2.1. Management of revenue

Following observations are made in this regard.

Revenue Code 20:04:01:00 (Central Government)

- (a) No debit notices have been called from relevant institutions up to June 2021 as per section 1 (a) of the Pension Circular No 1/2001 dated 15 January 2001 in order to confirm the refunded revenue i.e. Rs. 13,563,414 during the year under review.
- (b) In terms of the para 07 of the Public Finance Policy Circular No 01/2015 dated 20 July 2015, monthly reports relating to the revenue codes pertaining to Accounting Officers for Revenue should be submitted to the Director General of Public Finance Policy before 10th of the next month. However those monthly performance reports have been submitted for 07 months with a delay varied from 41 up to 107 days. In terms of the reply made by the Director General of Pensions to drafted summary report, the inability to ensure uninterrupted service delivery during year 2020 due to Covid 19 pandemic has been shown as the reason for such delay.
- (c) Receipts of contributions to Widows' / widowers' and orphans' pension (Provincial Councils) the revenue estimate for the year under review is Rs. 12,000,000,000 and the net revenue

collected is Rs. 11,022,784,468. The decrease in the net revenue is 8% from revenue estimate i.e. Rs. 977,215,532.

- (d) Data base has not been prepared to identify specifically the receipts of contributions to widows'/ widowers' and orphans' pension fund from Provincial Councils for revenue code 20.04.02.00 and the contributions in arrears as per institutions and contributors. Further the values, which have been reported as the arrears in revenue by Local Government Institutions, have been accounted in financial statements as revenue in arrears. Accordingly it has become impossible to confirm the accuracy of the revenue in arrears to the value of Rs. 823,984,589 at the end of the year under review. Further the receipts collected from contributors to the value of Rs. 11,021,652,894 could not be identified as per contributors' accounts. Accordingly, it was not possible to confirm from the Department whether the contributions were received continually from each contributor when paying widows'/ widowers' and orphans' pension. Further Department of Pensions has failed to recover the revenue in arrears without delay and also to prepare necessary provisions for the purpose.
- (e) In terms of the section 2.2 of the circular no 1/2001 dated 15 January 2001 issued by the Director General of Pensions, action should be taken to call for the recovery of every month before 15 of the next month when issuing one cheque for the contributions of all the offices but such contributions have been sent by 5 Provincial Councils at 29 occasions with a delay varied from 15 days to 96 days. Further when sending contributions for each month by Southern Provincial Council and Uva Provincial Council, they have been sent as parts without sending as a block amount. Therefore 20 occasions have been observed where they have been sent with a delay of 16 days up to 132 days than the prescribed date.

Rental for buildings

- (f) The arrears of building rent, which has to be recovered from the institutions such as National Housing Development Authority, Urban Development Authority and Central Environmental Authority for the period from year 2009 up to 31 December 2015 is Rs. 24,605,333. Even though the above mentioned institutions have requested from the Department of Pensions to submit either the rent agreements or invoices issued monthly for the payment of rental, the Department has failed to submit such documents.
- (g) The total of the arrears of building rent , which has to be paid by 07 institutions occupying the premises as at 31 June 2020 is Rs. 2,036,600 and the value of arrears over one year as per time analysis is Rs. 299,000.

2.2. Entering in to liabilities and obligations

Liabilities exceeding the provisions

Even though the balance of the provision as at the end of the year under review under vote for payment of gratuity for pensioners under number 253-1-2-4 is Rs. 5,349,310,643, the liability under the said vote as per the statement of liabilities is Rs. 5,392,442,185. Therefore the liability exceeding provisions is Rs. 43,131,542.

2.3. Certifications to be made by Accounting Officer

In terms of the section 38 of the National Audit Act No 19 of 2018, the Accounting Officer should make certifications regarding the following matters but actions have not been adhering to the said requirement.

- (a) The Accounting Officer should assure that a productive internal control system is prepared and maintained for the financial control of the Department and further reviews are maintained

from time to time on the productivity of the same whilst introducing necessary changes. Further the reviews should be made in writing and a copy of the reviews should be submitted to the Auditor General. However no statement to the effect that such review has been made, has been submitted to the audit.

- (b) Even though the Accounting Officer should ensure that answers are made to all audit queries within prescribed periods as required by the Auditor General, answers have not been made to 17 audit queries raised in relation to the financial year 2020 and the values submitted by audit queries for clarifications are Rs. 45,980,603.

2.4. Non compliance to laws, rules and regulations

Observations

Reference to laws, rules and regulations	Value Rs.	Non Compliance
Pension circular		
(i) Pension circular number 09/2015 dated 14 September 2015 and No 08/2011 dated 08/2011.		Pass books of 22 minors have not been handed over by Divisional Secretariat Thimbrigasyaya, Sri Jayawardanapura Kotte and Yatinuwara after reaching 18 years of age as it has become impossible to find their present addresses and further they have not come to receive their pass book even after sending several reminders. The total of the values as at the date of updating of 20 pass books out of the above is Rs. 2,145,720.
(ii) Pension Circular No 6/2013 dated 03 December 2013 and Pension Circular letter No 02 dated 14 June 2011.		Even though the unpaid pensions should be returned to the Department during the month after the relevant month, the Divisional Secretariats of Thimbrigasyaya and Harispaththuwa have retained an amount of Rs. 1,848,838 in the general deposit account for a period from 07 to 14 months.

2.5. Issuing and settling advances

Following observations are made in this regard.

- (a) In terms of the reconciliation statement of the advance account of public officers, which has been submitted for the audit, the balance to be recovered from 12 officers, who have been interdicted, vacated of post and transferred is Rs. 718,350 and these balances, of which the period of arrears is more than 05 years, have not been settled by the date of audit.
- (b) As per the books of the Department as at 31 December 2020, the total of the summary of the individual balances categorization of the advance account of public officers is Rs.168,586,842 and the balance of the same as per control account is Rs. 168,558,187. Therefore a difference of Rs. 298,655 has been observed between these balances. However it

has been certified that there is no difference among the books of Department, Treasury computer print outs after making reconciliation but it has been observed that is not correct.

3. Operational review

3.1. Performance

3.1.1. Planning

In addition to the payment of widows' and orphans' pension to the relevant beneficiaries, it has been identified under special priorities of the budget estimate 2020, that the contributory pension scheme should be introduced to semi government banks and private sector in addition to the employees provident fund. However those activities have not been included in the action plan. As per the answer made by the Director General for the draft of the report, the Department has so far not take action to make direct influence, direction or order for the introduction of contributory pension scheme.

3.1.2. Annual Performance Report

In terms of the para 10.2 of the Public Finance Circular No 2/2020 dated 28 August 2020, the annual performance report should be prepared as per specimen indicated in No 14 of the Guidelines issued by the Department of Public Finance. However following differences have been observed when the annual performance report submitted along with financial statements is reconciled with the information obtained independently from each division by the Government Audit Division.

Serial No	Description	Balance as per performance report	Balance as per the information submitted by relevant Division	Difference
		Rs.	Rs.	Rs.
01	Receipts to the Public Services Provident Fund for December	61,399,468	61,457,155	57,687
02	Payments to Public Services Provident Fund in relation to the months of April, May	38,364,041	22,364,041	16,000,000
03	Income on interest	30,360,072,498	31,562,748,355	1,202,675,857
04	Payment of gratuities in Civil and Armed Forces	24,149	24,524	375
	(i) Number (ii) Value	26,237,294,814	26,808,301,923	571,007,109

3.2 Procurements

Following observations are made in this regard.

3.2.1. Inspection of construction contracts

- (a) In terms of Financial Regulations 701(i), it has been informed that the matters such as the time frame for completion and losses for delayed periods etc should be included in the contract but it was observed at the sample test conducted on 03 construction contracts to the contract value of Rs. 5,909,881 that these sections have not been included.
Further it has been informed in para 8.12.2. of the Procurement Guidelines that a certificate to the effect that the works have been completed in compliance to the other rules and conditions should be issued by the Engineer/ Consultant, such certificate has not been issued in respect of these contracts.
- (c) In terms of the para 2 of supplementary 35 of section 2.14.1. of the Procurement Guidelines the quotations for construction contracts should be called from registered contractors but, when a contractor was selected for the modification and maintenance of Holiday Resort at Wedamulla, Kelaniya, a contractor has been selected by calling quotations from 03 contractors indicated in the rainbow pages of the telephone directory. Further following weaknesses have also been observed. Standard tender documents have not been used for calling of quotations. Further performance bond has not been submitted and the contract agreement has not been submitted in accordance with standard documents.

3.3.1. Transactions in the nature of financial malpractices

Following observations are made in this regard.

- (a) Even though pension file has been transferred among Divisional Secretariats, two pensions have been paid fraudulently under pension number 01-603037 and 01-1603037 from August 2004 to December 2019 for a pensioner belonging to the Divisional Secretariat, Gangawata Korale as a result of not updating the database. Even though the amount paid in excess has been estimated as Rs. 2,169,551 for the period from January 2008 to December 2019 by the inspection conducted under F.R. 104, the excess amount of pension paid for 41 months before the year 2008 has not been calculated. This pensioner has demised on 02 March 2021 and there was an amount of arrears of more than Rs. 1,839,320 to be recovered after deducting the amount from him from the date of termination of pension up to the date of death.
- (b) In terms of the Pension Circular No 04/2011 dated 16 May 2011, Pension Circular No. 05/2012 dated 20 December 2012, and Pension Circular No 13/2014 dated 03 November 2014, interim allowance should strictly be paid to the combined salary when a pension is paid combining several pensions. As per the matters revealed in sample tests, an amount of Rs. 867,317 was remaining as an arrears as at 30 June 2021 from the amount paid in excess to 03 pensioners of Divisional Secretariat, Katana as interim allowance. Further the interim allowance of Rs. 623,750 paid in excess to 03 pensioners by Divisional Secretariat, Wariyapola has not been recovered by June 2021.
- (c) As per the matters revealed in sample tests, a pension to the value of Rs. 352,030 has been paid in excess to a pensioner of Divisional Secretariat, Thimbrigasyaya due to not verifying whether an excess payment has been made under pension as a result of delay in informing the death of pensioners. However no action has been taken to recover that excess payment even by the date of audit.

- (d) At such occasions where excess payment has been made on pension due to the delay in informing the death of pensioner, and withdrawal of money has been made from bank account using ATM cards and from joint accounts by other persons, such excess payments could not be recovered due to unavailability of sufficient balance in the accounts. It was revealed in the audit sample tests that total amount of Rs. 2,904,712 was remaining by 31 December 2020 to be recovered from persons, who have withdrawn such money fraudulently and the details of the amount is as follows. The value to be recovered by Divisional Secretariat, Thimbirigasyaya for 16 occasions is Rs. 1,125,600. The value to be recovered by Divisional Secretariat, Sri Jayawardanapura Kotte for 13 occasions is Rs 1,779,112.
- (e) If the bank does not reply even after informing to return the money if sufficient balance is available, at such occasions where pension/ widows' and orphans' pension has been paid in excess, due to the delay in informing the death of the pensioner, necessary action should be taken to recover the amount. However it was revealed at sample tests that the amount in arrears, which has been paid in excess at 94 occasions and no action has been taken to recover by Divisional Secretariat Thimbirigasyaya and Sri Jayawardanapura Koptte was Rs. 8,643,512. The period, during which such excess payments have been made out of the above at Divisional Secretariat Sri Jayawardanapura Kotte, varied from 1 to 4 years.
- (f) At the sample test conducted on the pensioners, whose pension has been suspended by the Department of Pension in July 201 and June 2019 due to non submission of life certificates, it was revealed that life certificates of 10 and 03 pensioners belonging to the Divisional Secretariat Thimbirigasyaya and Kaduwela respectively have not been submitted since they have demised and further an excess amount of Rs. 5,050,228 has been paid from the date of death up to the date of termination of the payment of pension as the Grama Niladhari or relations of the demised person have not informed the death of the pensioner to the Department of Pension. Further Divisional Secretariat has not taken action to identify the amount paid in excess and to recover it as per financial regulation 103 and 104.
- (g) The interim allowance paid in excess to the pensioner bearing pension number 0-4-0303/0-06-3031 of the Divisional Secretariat Yatinuwara is Rs. 75,250 from 01 November 2015 up to 31 March 2020 and it has been entered in the data base to recover Rs. 1500 per month from June 2021. However the amount to be recovered further is Rs. 73,750.

3.3.2. Losses and damages

Following observations are made in this regard.

- (a) As per Note No 01 of the financial statements, the amount to be recovered by the end of the year under review further from the pension paid in excess is Rs. 521 million. This balance consists of Rs. 4.8 million remaining for more than 10 years, Rs. 66 million remaining for a period from 5-10 years and Rs. 450 million remaining less than 5 years.
- (b) The balance of recoveries made by Department of Pensions is Rs. 1,998,087 as per the books of 04 Divisional Secretariats and it is Rs. 1,826,567 as per the register of losses and damages. Accordingly the balance has been understated by Rs. 171,547 as per register of losses and damages. Since the balance of 02 Divisional Secretariats is Rs. 1,741,957 as per the books of the Department and the balance is Rs. 1,908,799 as per the register of losses and damages, the balance has been overstated by Rs. 166,842 as per the register of losses and damages.
- (c) Rs. 72, 600 has to be recovered by 01 July 2021 further from the amount of Rs. 93,600, which has been paid in excess to a demised pensioner by the Divisional Secretariat, Gangawata Korale.

3.4. Management deficiencies

Following observations are made in this regard.

- (a) Since the Divisional Secretariat has paid the monthly subsistence allowance of Rs. 6,855 of the pensioner bearing pension number 4-50111 during the period from 01 July 2105 up to 10 August 2020 by an amount of Rs. 20,860, the excess payment made has amounted to Rs. 687,790. Accordingly Divisional Secretary has been informed to conduct an inquiry as per F. R. 104 regarding the amount of Rs. 559,236 to be recovered even after setting off the pension of Rs. 128,553, which is relevant to the period in which pension has been suspended, but the amount paid in excess has not been recovered.
- (b) The pensioner, who was receiving a widows' and orphans' pension under pension number 21-800003, has married again on 16.12.2009 but he has not informed it to the Department. Under such circumstance the widowers' pension entitled to him should be prepared so as to credit a part to the bank account of the child until the child reaches 18 years of age and to credit the remaining part to the guardian. However without doing so, the gross amount of Rs. 1,737,978 has been paid totally to the guardian from 16 December 2009 up to 24 February 2019, on which the child reached 26 years of age.
- (c) Even though a premises of 2868sqft has been given to 05 offices on rental basis, rent agreements have not been signed.
- (d) Even though the term of the rent of 04 institutions, which maintained their offices at the premises, has expired no action has been taken to renew agreements even by 31 December 2020.
- (e) Even though a pension file should be maintained for each pensioner, it was revealed at the sample tests that the files of 369 pensioners at the Divisional Secretariat, Thimbirigasyaya have been misplaced.
- (f) It was revealed at the inspection of the payment data of September 2020 in the pension data base, there were 3906 pension files of which the pension has not been revised as per Public Administration Circular No. 6/2006. Even though the adjustment of pension of all the public officers as per Public Administration Circular No 03/2016 and 14/2019, who retired before 01 January 2017, should be made as at 01 July 2019 by Pension circular no 01/2019 dated 11 June 2019, the number of the pension files, which have not been revised by 13 January 2021 due to unavailability of National Identity Card number and misplacing of files owing to the war and other reasons, was 39,373.

3.5. Operational inefficiencies

Department of Pension has not taken action to maintain a data base in respect of officers, who contribute to the widows' / widowers' and orphans' pension scheme. Since there were no correct information on the number of members who were to be granted beneficiaries, it has become impossible to verify from the Department as to whether the contributions have been received properly and continuously, when making entitlements such as refunding claims and contributions of widows'/ widowers' and orphans' pension scheme.

4. Good Governance

4.1 Internal Audit

The activities planned as per internal audit plan such as basic inspection on financial control methodology, inspection on leave and overtime, taking action on the petitions made by general public etc have not been included in the action plan of the Department of Pension. Further, attention has not been paid to the fields such as inspection on the collection of revenue, inspection on the training process, inspection on construction contracts and purchases etc in the internal audit plan prepared for year 2020.

4.2. Audit and Management Committee

Only one meeting of the Audit and Management Committee has been conducted during year 2020.

T.G.I. Padmini
Assistant Auditor General
For Auditor General

Director General,
Department of pensions

Summary Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Public Services Provident Fund for the year ended 31 December 2020 in terms of Section 11(1) of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1. Disclaimer of opinion

The audit of the financial statements of the Public Services Provident Fund for the year ended 31 December 2020 comprising the Revenue and Expenditure Account, and Notes to the Financial Statements, and a summary of significant accounting policies for the year then ended, was carried out under my direction in pursuance of provisions in Section 24 (1) Chapter 621) of the Public Services Provident Fund Ordinance No 18 of 1942 and Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

I don't express an opinion on the financial statements of the fund. I could not obtain adequate and appropriate audit evidences in order to provide a basis for an audit opinion due to the importance of the matters discussed in the part for the basis for disclaimer of opinion.

1.2. Basis for Disclaimer of opinion

- (a) Even though the revenue and expenditure of the Fund should be accounted as per Standard No 01 of Sri Lanka Public Sector Accounting Standards, it has been mentioned in Accounting Policies No 2.4. 9C) (ii) of Financial Statements that contributions are accounted on cash basis. Accordingly an amount of Rs. 328,201,324, which is compulsory contributions received during the year has been accounted on cash basis.

(b) Lack of evidence for the audit

Following observations are made in this regard.

- I. Since action has not been taken to maintain properly the individual accounts of the Employees' Provident Fund, the register of members has not been submitted for the audit in order to verify the members at the beginning and the end of the year under review. Under such circumstance, it has become impossible to identify separately the balance of Rs. 28,972,771,536 of Compulsory contribution account, Rs. 44,799,765 of voluntary contribution account and Rs. 44,820,450,342 of Government contribution account as at 31 December 2020 as per the claims of the contributions.

- II. Unidentified balances in relation to the credits and debits made to the account of the fund by various government institutions by monthly account summaries have been entered in an adjustment account until they are settled. Accordingly the unidentified balances remaining for several years in adjustment account is Rs. 29,811,314 as at 31 December 2020. Since a comprehensive schedule has not been submitted it has become impossible to conduct an audit observation on that balance at satisfactory level in the audit.

As described above, I was unable to confirm or verify ,using alternative methods, the quantitative items included in the balance sheet, revenue and expenditure account and cash flow statement. Under such circumstance, I was unable to decide as to whether any adjustment is necessary on values or transactions, which have been or haven not been reported in the values or items by which balance sheet, revenue and expenditure account and cash flow statement.

1.3. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Fund is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Fund.)

1.4. Auditor's Responsibilities for the Audit of the Financial Statements

My responsibility is to issue the report of the Auditor on the financial statements of the fund based on the audit conducted in compliance with Sri Lanka Audit Standards.

2. Report on Other Legal and Regulatory Requirements

2.1. National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1. The financial statements of the Fund comply with the requirement of section 6 (1) (d) (iii) of the National Audit Act No 19 of 2018.

2.1.2. The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018 except the observations made in para 1.2.(a) (b) of this report. .

3. Operational Review

3.1. Performance

Public Services Provident Fund has been established with the main objective of granting benefits to the public servants holding non pensionable posts. Accordingly payments have not been made to 987 applications out of 5,188, which have been submitted by the members of the fund for obtaining benefits of the fund as at 31 December of the year under review. Further the Chairman of the fund has pointed out the inability to call the officers for duty due to closing down the Department in the face of COVID 19 pandemic as the reason for the delay in making payments.

W.P.C. Wickramaratne
Auditor General

Director General,
Department of pensions

Summary Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Teachers' Widows' and Orphans' Pension Fund for the year ended 31 December 2020 in terms of Section 11(1) of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1. Qualified Opinion

The audit of the financial statements of the Teachers' Widows' and Orphans' Pension Fund for the year ended 31 December 2020 comprising the Revenue and Expenditure Account, and Notes to the Financial Statements, and a summary of significant accounting policies for the year then ended, was carried out under my direction in pursuance of provisions in section 6 (1) of the regulations imposed in terms of the section 5 and 9 of the School Teachers' Pensions Ordinance No 44 of 1953 and Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2. Basis for Qualified Opinion

Even though the Fund has revealed in financial statements that the accounts are prepared on accrued basis as per standard no 01 of Sri Lanka Public Sector Accounting Standards, an amount of Rs. 1,631,064, which has been received as the contributions for the period from year 1988 up to year 2019 in relation to 3 assisted schools, has been accounted as the contributions of the year under review in the Revenue and Expenditure Account. Further the total amount of Rs. 1,735,673, which is the aggregate of Rs. 1,552,883 received from an assisted school in year 2021 in relation to previous years and Rs.182,790, which is to be received as contributions, has not been shown in the financial statements as the contributions receivable.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Fund is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Fund.)

1.4. Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are

inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1. National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1 The financial statements of the Fund comply with the requirement of section 6 (1) (d) (iii) of the National Audit Act No 19 of 2018.

2.1.2. The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

3. Operational Review

3.1. Non-compliance with Laws, Rules, Regulations

Following observations are made in this regard.

- (a) A document containing the particulars of the persons, who become eligible to be granted each aid and the persons who make payments has not been maintained In terms of the order no 09 (a), which has been imposed as per School Teachers' Pensions Act No 44 of 1953.
- (b) In terms of the order No 04 of the School Teachers' Pensions Act No 44 of 1953, the Widows' and orphans' pension should be paid by way of raising a fund from the widows' and orphans' contributions of teachers. However separate bank account has not been maintained for the purpose of collection and payment of contributions and the contributions have been collected in the bank account of Director General and above expenses have been paid under the vote of the Department of Pensions.

3.2. Activities of the Management

Following observations are made in this regard.

- (a) It was revealed by a sample test at an Assisted School on obtaining membership that even though the contributions have been made to the widows' and orphans' fund, membership numbers have not been issued to the respective members.
- (b) Since there is no data base under the fund on the membership including the receipt of contributions, even though action has been taken to refund the amount recovered from the contribution checking it with the history sheet, it has become impossible to verify, when refunding the contribution, whether the contribution of the contributor received by the fund correctly.

W.P.C. Wickramaratne
Auditor General

Director General of Pensions
Department of Pensions

Summary Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Local Government Services Pensions Fund for the year ended 31 December 2020 as per Section 11(1) of National Audit Act No 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Local Government Services Pensions Fund for the year ended 31 December 2020 comprising the balance sheet, statement of income and expenditure, Cash flow statement, notes on financial statements, for the year then ended, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka and provisions of the National Audit Act No. 19 of 2018 read in conjunction with section 62 (Chapter 264) of Local Government Services Ordinance. My report will be tabled in the Parliament in due course, in terms of the Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in the Basis for qualified opinion, the accompanying financial statements give a true and fair view of the financial position of the fund as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) Even though the Fund should make accounts on accrued basis as per the standard No 01 of Sri Lanka Public Sector Accounting Standards, even though the contributions to the value of Rs. 72,558,585, which were to be received for the year under review in the Income and Expenditure Account, have been credited as per the requirement, but an amount of Rs. 72,230,921 received during this year, which are the contributions in relation to previous years and to this year has been debited to the above account. Accordingly the difference observed to the value of Rs. 2,672,336 has been identified as the deficit.
- (b) The number of the Local Government Institutions, which were paying contributions to the fund as at 31 December 2020 as per financial statements, is 302 and the amount of arrears to be recovered from those institutions is Rs. 1,143,420,252. However the amount to be received from 97 Local Government Institutions is Rs. 760,406,356 as per the financial statements submitted for the audit but it has not been shown as the contributions to be paid by such institutions. Further the contributions to be paid by another 103 Local Government Institutions to the fund is Rs.

278,494,348, but the amount to be paid as per the financial statements of such institutions is Rs. 184,054,767. Therefore it has been overstated by Rs. 94,439,581. Even though the contributions to be received from 22 Local Government Institutions is Rs. 14,868,309, the contributions to be paid as per the financial statements of those institutions is Rs. 19,567,394. Therefore it has been understated by Rs. 4,699,085.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of the management and the parties entrusted with administration on the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for determining such internal control which is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the fund are responsible for overseeing the financial reporting process of the fund.

As per Section 16(1) of the National Audit Act No. 19 of 2018, it is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared for the fund.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal Requirements

2.1. National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

- 2.1.2. In terms of the requirement prescribed in the section 6 (I) (d) (iii) of the National Audit Act No 19 of 2018 the financial statements of the fund comply with previous year.
- 2.1.3. Recommendations, which have been made by me during the previous year in terms of the requirement prescribed in the section 6 (I) (d) (iv) of the National Audit Act No 19 of 2018, have been included in the financial statements, which were submitted.

4. Operational Review.

3.1. Non compliance to laws, rules and regulations

- (a) In terms of the para 5 of Public Finance Circular No. 2/2018 dated 28 August 2018, if there are certain funds which were inactive during the last 02 years, the activities of such funds should be concluded and further in case where the objectives of the funds can be achieved by the budget of the Government, it has been informed by para 15 (2) (b) of the Public Finance Circular No. 1/2020 dated 28 August 2020 that activities of such funds should be concluded. The functions of this fund are carried out obtaining budget provisions under the vote of the Department of Pensions, and further it has been revealed by note 04 accounts that the fund is not functioning. However necessary action has not been taken to close the fund as per the existing provisions of circulars.

4. Accounts receivable

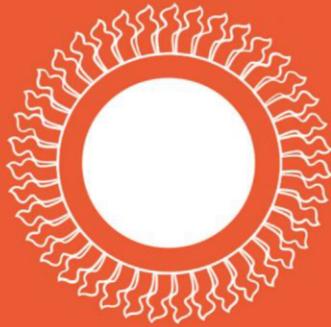
Following observations are made in this regard.

- (a) In terms of the Pension Circular No. 01.2021 dated 08 February 2012, action should be taken to make necessary adjustments timely to the fund on the demises of members calling reports from

the District Secretaries before 25th of the next month regarding the death of the members of each month. However the contributions to the value of Rs. 2,306,611 in relation to 647 members demised during the period from 2014 to 2020 have been written off during the year under review due to not making adjustments annually.

- (b) In terms of the financial statements as at 31 December 2020, the contributions to be received from 302 Local Government Institutions is Rs. 1,143,420,252. However any amount pertaining to the Rs. 459,007,662, which is to be received from 88 Local Government Institutions, has not been received during the year under review as per the schedules submitted along with financial statements in respect of the said balance.

W.P.C. Wickramaratne
Auditor General



4

Performance Indicators

4.1. Performance Indicators of the Institution (Based on the action plan)

Activity	Sub Activity	Performance Indicators	Estimated Amount	Actual output as a percentage of the expected output			
				100%-90%	75%-89%	50%-74%	Less than 49%
New pension awards	Award of pension - Decentralized	Number of pensioners, who received pension awards in year 2020	30,000		82.05%		
	Award of pension - Centralized		1,500			68.60%	
	Award of widows' and orphans' pension		8,000	94.87%			
Revised payments	Revision of pension - Decentralized	Amount paid form revised pension	5,000				*** 32.22%
	Revision of pension - Centralized		600				*** 32%
Gratuity and other payments	Death Gratuity		1,100	100.27%			
	Disabled Pension		5,000	93.24%			
	Sathkara Piyasa	Number of persons called for interview	30,000			67.64%	
Monthly pension	Monthly Pension- Civil	Number of the pensioners, who received benefits monthly	460,000	100%			
	Payment of gratuity and loan installement	Number of the pensioners, who received benefits monthly	30,000		83.35%		
Social welfare	Three Armed Forces and Police	Number of the pensioners, who received benefits monthly	42,183	97%			

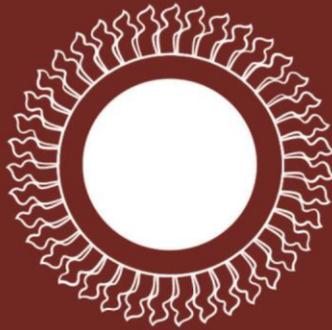
Activity	Sub Activity	Performance Indicators	Estimated Amount	Actual output as a percentage of the expected output			
				100%-90%	75%-89%	50%-74%	Less than 49%
Widows' and orphans' pension	Payment of Widows' and orphans' pension	Number of the pensioners, who received benefits monthly	185,000	100%			
Revenue on widows' and orphans' pension	Central Government	Monthly Revenue	19000*	102.41%			
	Provincial Councils	Monthly Revenue	11700*	94.18%			
	Teachers' Widows' and orphans' pension	Monthly Revenue	104*	231.96%			
Refunding contributions of widows' and orphans' pension	Civil	Number of the beneficiaries	1500			59.13%	
	Armed Forces	Number of the beneficiaries	1300			74.85%	
	Teachers' widows' and orphans' pension	Number of the beneficiaries	40			67.50%	
Public Services Provident Fund	Number of the members of P.S.P.F.	Number of the new members annually	7,000	116.08%			
	Payment of contributions	Number of the beneficiaries	7,200				*** 49.73%
	Receipt of contributions	Monthly contribution 8% and 12%	760*	112%			
	Investments	New investments made during the year	6400*	114.75%			
Human Resources Development	File management	Updating files		100%			
	Capacity development	Conducting training programmes as per training plan				60%	
System Development Activities	Maintenance of Systems	Accurate operation in systems		100%			

Activity	Sub Activity	Performance Indicators	Estimated Amount	Actual output as a percentage of the expected output				
				100%-90%	75%-89%	50%-74%	Less than 49%	
Development of hardware	Purchase of Laptops	Number of Laptops	10	100%				
	Purchase of Desktops	Number of the desktop	10	100%				
Enhancing the environment of the institution	Modifying the widows' and orphans' pension division	Concluding all the projects within year 2020				50%		
	Modifying the building of the Holiday Resort at Wedamulla , Kelaniya by way of color washing			100%				
Payment of the arrears of pension	Civil	Number of the pensioners	8,000	115.03%				
	Armed Forces							
	Anomalies							
Payment of foreign pension	Civil pension	Number of the pensioners and widows	320	100.31%				
	Widows' and orphans' pension		300				*** 40.66%	
	Revision of pension		500	*	2180.20%			
	Payment of the arrears in pension		1000	**	782.40%			

*Action has been taken to remove the anomalies of the pensioners staying abroad as per Public Administration Circular No 14/2019 and the number of the revisions estimated to be carried out during year 2020 is nearly 500. However 10,091 revisions have been made during that year. It is 2180.20% as a percentage.

** Number of the payments in arrears, which have been estimated for year 2020 is nearly 1000 and the annual beneficiaries have marked an increase up to 7,824. It is 782.40% as a percentage.

*** Since the office functions could not be carried out at normal pace due to covid pandemic spread all over the Island and further the number of applications received was at lower level than the estimated amount, a decline was shown in the progress.



5

**Performance
in the achievement
of sustainable development
goals**

5.1. Sustainable Development Goals

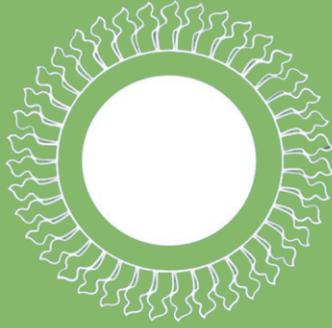
Goal/ Objective	Goal	Indicators for achievements	Progress of the achievements so far made		
			0%-49%	50%-74%	75%-100%
Eliminating the poverty at any level found at any place	Developing and establishing sustainable and social security systems	Elderly population receiving a pension-on gender basis			

5.2. Achievements and challenges in the fulfilment of development goals.

* Main role of the Department of Pensions is to make the persons, who retire from public service after serving in a permanent and pensionable post, entitled to the pension. The total number of such pensioners is nearly 3% from the total population.

* Having Taken into consideration the future forecasts and requirements of the population of Sri Lanka, a set of proposals has been introduced during year 2020 in the name of 'Pension for All' . By this, proposals have been submitted in order to make every citizen entitled to a pension. If that policy or any other policy enhanced using the above would be approved as the policy of the state for the pension, it would be possible to achieve the objectives in relation to the sub indicator applicable to sustainable development goals.

* When such policy is applied, it is required to obtain the contribution and collaboration of the public institutions such as Ministry of Social Services, Department of Labor, and Agrarian Insurance Board and other international and non government organizations and private institutions in addition to the Department of Pensions.



6

Human Resource Profile

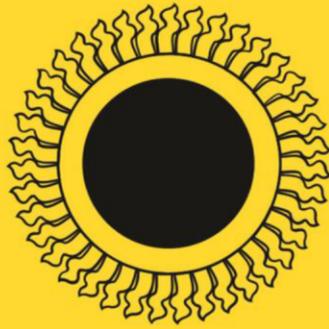
6.1. Cader Management

	Approved cadre	Existing staff	Vacancies (Excess)
Senior	34	26	8
Tertiary	11	05	6
Secondary	1078	931	147
Primary	75	59	16
Total	1198	1021	177

6.2. Human Resources Development

Name of the programme	Number of employees trained	Duration of the training programme	Total investment (Rs)		Nature of the programme (Local/ Foreign)
			Local	Foreign	
Preparation of annual reports - APFA	2	One day	8,000		Local
Government Payroll system - Miloda	2	03 days	36,000		
Post Diploma on Economic Development - UOC DKRA	1	01 year	91,500		
Workshop on pension for the benenfit of Divisional Secretariats of Colombo district	40	One day	21,425		
Post graduate degree programme - UOC	1	One year	147,500		
W&OP new online system	60	One day	33,090		
W&OP new online system for all island internal Auditors	65	One day	36,025		
Government Payroll system - Miloda	2	Three days	36,000		
Making awareness on the pension- Monaragala district	85	One day	55,549		
Master of Business Administration	2	Two year	1,150,000		

Name of Programme	Number of the employees trained	Duration of the training programme	Total investment (Rs.)		Nature of the programme (Local/ Foreign)
			Local	Foreign	
Making the staff of the pension Department at District Secretariat, Hambantota aware of the online system of widows' and orphans' pension	32	One day	190,000		Local
Making the staff of the pension Department at Divisional Secretariats, of Colombo district aware of the online system of widows' and orphans' pension	63	Five days	7,700		
Making the staff of the pension Department at all the Divisional Secretariats, in Kandy, Nuwara Eliya, Mathale, and Kegalle districts aware of the online system of widows' and orphans' pension	90	One day	67,300		
Preparation of estimates on expenditure for the Budget 2021	60	One day	43,200		



7

Report on compliance

Serial Number	Requirement which should be made applicable	Nature of compliance (Complied / Not complied)	Brief clarification in case it is not complied with.	Correct action proposed to avoid such non-compliance situations in future
1.	Following financial statements/ accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance B account of public officers	Complied		
1.3	Business and production advance account (Commercial advance account)	Not relevant		
1.4	Stores advance account			
1.5	Special advance account			
1.6	Other			
2.	Maintenance of books and registers (F.R. 445)			
2.1	Maintaining the assets register with necessary updating as per P. A. Circular No. 267/2018	Complied		
2.2	Maintaining the personal wage register/ wage cards with necessary updating	Complied		
2.3	Maintaining the audit queries register with necessary updating	Complied		
2.4	Maintaining internal audit records with necessary updating	Complied		
2.5	Preparation of all the monthly accounts summaries (CIGAS) and submitting them to General Treasury on due date	Complied		
2.6	Maintaining the cheques and money order register with necessary updating	Complied		
2.7	Maintaining the inventory with necessary updating	Complied		
2.8	Maintaining the stocks register with necessary updating	Complied		

2.9	Maintaining the losses and damages register with necessary updating	Complied		
2.10	Maintaining the liability register with necessary updating	Complied		
2.11	Maintaining the counter foils register with necessary updating (GA - N20)	Complied		
03	Delegation of tasks for financial control (F.R. 135)			
3.1	Delegation of authority for financial control within the institution	Complied		
3.2	Making the awareness of the delegation of authority for financial control within the institution	Complied		
3.3	Delegation of authority to ensure that every transaction is approved by two or more officers	Complied		
3.4	Taking action subject to the control of the Accounts when using the government salary software package as per Public Accounts Circular No. 171/2004 dated 11.05.2014	Complied		
4	Preparation of annual plans			
4.1	Preparation of annual action plan	Complied		
4.2	Preparation of annual procurement plan	Complied		
4.3	Preparation of annual internal audit plan	Complied		
4.4	Preparation of annual estimate and submission of the same to Department of Budget (NBD) on due date	Complied		
4.4	Preparation of annual estimate and submission of the same to Department of Budget on due date ^NBD&	Complied		
4.5	Submission of annual cash flow statements to the Department of Treasury Operations on due date	Complied		

5	Audit queries			
5.1	Making answers for all the audit queries raised by the Auditor General on due date	Not complied	* A delay occurs in the submission of answers to the Auditor General as it has to make rectifications calling answers from Divisional Secretariats and other connected institutions.	
6	Internal Audit			
6.1	Preparation of the annual audit plan at the beginning of the year as per Financial Regulation No. 134 (2) (DMA/ 1-2019 after discussing with Auditor General	Complied		
6.2	Making answers for every internal audit report within one month period	Complied		
6.3	Submission of the copies of all internal audit reports to the Department of Management Audit as per sub section 40 (4) of National Audit Act No 19 of 2018.	Complied		
6.4	Submission of the copies of internal audit reports to the Auditor General as per Financial Regulation No 134 (3)	Complied		
7	Audit and Management Committee			
7.1	Conducting at least 04 meetings of the Audit and Management Committee within the year as per DMA Circular No 1-2019.	Not complied	The meetings had to be restricted as the officers were compelled not to visit external institutes owing to the situation arisen amidst COVID 19 pandemic.	

8	Management of assets			
8.1	Submission of the particulars of the purchases and disposal of assets to Comptroller General's Office as per chapter 07 of Assets Management Circular No 01/2017	Complied		
8.2	Appointment of a suitable officer for the coordination the provisions in the the above circular as per chapter 13 of the same and reporting the particulars of the appointed officer to the officer of the Comptroller General	Complied		
8.3	Conducting boards of surveys as per Public Finance Circular No 01/2020 and submission the reports to the Auditor General on due date.	Complied		
8.4	Taking actions within the period prescribed by the circular on the surpluses, deficiencies and other recommendations raised at the annual board of survey.	Complied		
8.5	Disposal of unserviceable items as per F. R. 772	Complied (The items identified at the board of survey of year 2019 have been disposed)		
9.	Management of vehicles			
9.1	Preparation of daily and monthly running charts for pool vehicles and submission of them to the Auditor General on due date	Complied		
9.2	Disposal of vehicles within 06 months after becoming such vehicles unserviceable	Complied		
9.3	Maintenance of log books of vehicles with necessary updating	Complied		

9.4	Taking action as per Financial Regulation No. 103,104,109 and 110 for every vehicle accident	Complied		
9.5	Re- examination of fuel consumption of vehicles as per the provisions of para 3.1. of the Public Administration Circular No. 30/2016 dated 29.12.2016.	Complied		
9.6	Getting the ownership of the vehicles transferred at the end of the period of lease.	Complied		
10	Management of Bank accounts			
10.1	Preparation of bank reconciliation reports on due date and submission of them for the audit with necessary certifications.	Complied		
10.2	Settlement of inactive accounts, which were brought forward from previous years or year under review	Complied		
10.3	Taking action as per financial regulations on the balances revealed by bank reconciliation statement and to be adjusted and settling them within a month.	Complied		
11	Utilization of provisions			
11.1	Bearing expensed so as not to exceed the limits of the provisions, which have been provided.	Complied		
11.2	Making liabilities so as not to exceed the limit for balance of provision after utilization of the provisions made as per F.R. 94 (1)	Complied		
12	Advance B account of public officers			
12.1	To be complied with the limits	Complied		

12.2	Making a time analysis on the balances in arrears.	Complied		
12.3	Settling the balances of loans in arrears remaining unsettled for more than one year.	Not complied	* Balances have been referred to the Secretary of the Ministry of Public Services to obtain approval for writing off such loan balances	
13	General Deposit Account			
13.1	Taking action regarding the lapsed deposits as per F.R. 571	Complied		
13.2	Maintaining the control account of general deposits with necessary updating	Complied		
14	Imprest account			
14.1	Remitting the balance of the cash register to the Department of Treasury Operations at the end of the year under review	Complied		
14.2	Settling the ad hoc imprest account issued as per F. R. 371 within one month after completion of the work.	Complied		
14.3	Issuance of ad hoc imprest accounts so as not to exceed approved limit as per F.R. 371	Complied		
14.4	Reconciling monthly the balance of imprest account with the books of General Treasury	Complied		
15	Revenue Account			
15.1	Making refunds for the collected revenue in accordance with relevant regulations	Complied		

15.2	Crediting the collected revenue directly to the revenue without crediting them to deposit account	Complied		
15.3	Submission of the reports on revenues in arrears to the Auditor General as per F.R. 176	Complied		
16	Human Resources Management			
16.1	Maintaining the staff within the limit of approved staff	Complied		
16.2	Issuing duty lists to all the members of the staff in writing	Complied		
16.3	Submission of all the reports to the Department of Management Services as per MSD circular No 04/2017 dated 20.09.2017.	Complied		
17	Provision of information the General Public			
17.1	Appointment of an Information Officer and maintaining a record for provision of information ad per the Right to Information Act and other regulations.	Complied		
17.2	Information of the institutions has been provided through the website of the Department and further the availability of facilities ensured to general public to communicate their complaints/ commendations on the institutions through website or other alternative ways.	Complied		
17.3	Submission of annual or bi-annual reports reports as per the section 08 and 10 of the Right to Information Act.	Complied		
18	Implementation of the Citizen Charter			
18.1	Formulation and implementation of a Citizen Charter as per the Circular No. 05/2018 (1) of the Ministry of Public Administration and Management	Not complied		

18.2	Ensuring a methodology for the evaluation and supervision of the formulation and implementation of Citizen Charter as per para 2.3. of the above mentioned circular.	Not complied		
19	Preparation of human resources plan			
19.1	Formulation of a human resources plan as per the specimen in annex 02 of Public Administration Circular No 02/2018 dated 24.01.2018.	Not complied	It is observed that there are practical difficulties in the preparation of this circular as per annex 02. Therefore action is being taken to prepare a human resources plan to suit to the requirements of the institution	
19.2	Ensuring at least training opportunity of not less than 12 hours per year in the above mentioned human resources plan for every member of the staff.	Not complied	Conducting the programmes has been restricted adhering to the health guidelines provided by health authorities owing to the situation arisen under COVID 19 pandemic.	
19.3	Signing annual performance agreements with the whole staff based on the specimen given in the annex 01 of the above mentioned circular.	Not complied	These agreements are signed only with the staff officers.	
19.4	Preparation of human resource development plan and enhancement of capacity development programmes as per para 6.5 of the above mentioned circular and appointment of a senior officer entrusting the responsibilities for the implementation of skill development programmes.	Complied		

20	Making responses to the audit paras.			
20.1	Rectification of the deficiencies pointed out by the audit paras issued by the Auditor General for previous years.	Complied		

